September 1, 2006 Project No. 206477002

Ms. Nadine Kirk Kilroy Realty, L.P. 12200 West Olympic Boulevard, Suite 200 Los Angeles, California 90064

Subject:

Scope of Work and Cost Estimate for Supplemental Soil and Groundwater Sampling, Sump Liquid Consolidation and Sampling, and Asbestos Survey

17150 Von Karman Avenue, Irvine, California

Dear Ms. Kirk:

Ninyo & Moore is pleased to provide this scope of work and cost estimate to perform supplemental site assessment, sump liquid consolidation and sampling, and an asbestos survey of the buildings at the subject site. Ninyo & Moore has been in the process of performing a Phase II ESA of the subject site. Based on the results of sampling and analyses performed to date, additional investigation and evaluation are recommended. The scope of work and cost estimate for these recommended additional services are presented below.

SCOPE OF WORK

Soil and Groundwater Sampling

During recent field sampling activities, Ninyo & Moore had proposed to install one soil and groundwater sampling probe in the drum clean-out area adjacent to the current chemical storage building. However, at the time, Delphi was using the area for cleaning of various equipment that were in the process of being dismantled and access to the area for drilling purposes could not be gained. The probe that was proposed for this area (B6) was relocated to just outside of the drum-clean-out area to the north. Because probe B6 was not located where we had intended it to be and because the drum clean-out area is an area of potential concern, we recommend installing an additional probe at the intended location. The probe will be advanced up to 25 feet below ground surface (bgs) for the collection of soil and groundwater samples. The probe will also be continuously sampled and logged to obtain a detailed continuous soil lithology profile at the site.

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We recently obtained and reviewed a Phase I Environmental Site Assessment report that was prepared for Delphi by Golder Associates, dated April 11, 2005 (revised April 2006). Golder identified historic chlorinated solvent use in Room B151F (Paint Booth). The former chlorinated solvent use in Room B151F was identified by Golder through interviews with Delphi personnel. Room B151F is located in the central part of the building. Ninyo & Moore did not perform soil or groundwater sampling in this area. We recommend that one additional boring be drilled at this location and sampled for soil and groundwater. The probe will be advanced up to 25 feet below ground surface (bgs) for the collection of soil and groundwater samples.

During our recent site assessment activities, Ninyo & Moore collected groundwater samples from several locations at the site. The first occurrence of groundwater observed in the probes at the site was generally between 20 and 30 feet bgs. However, water would slowly rise in the probes to 10 feet bgs. We also observed the static water level in the former wells at the site to be about 10 feet bgs. Shallow groundwater appears to be confined under pressure in more permeable lithology units at 20 to 30 feet bgs and deeper. However, groundwater may also be present in less permeable units at shallower depths. Groundwater at these shallower depths, if present, could flow into wells or probes very slowly and might not have been observed or tested during our recent sampling efforts. An assessment of the presence of shallow groundwater at depths less than 20 feet bgs and the possible impact to this shallow groundwater by VOCs in soil is needed, in our opinion, to fully characterize the distribution of VOCs in the subsurface. We recommend the installation of a cluster of three shallow small diameter temporary wells, set at different depths and allowed to accumulate water for several days, to evaluate the presence of shallow groundwater and to collect samples of the shallow groundwater, if present.

Sump Liquid Consolidation and Sampling

The building contains numerous sumps and trenches in the former plating areas. Some of these sumps and trenches were observed to contain standing liquid. The liquid is presumed to be rinse water from Delphi's cleaning activities. The water may contain residual concentrations of metals or cyanide. It is recommended that the liquid in the various sumps and trenches be consolidated into one location and sampled prior to disposal.

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Ninyo & Moore will consolidate the liquid in the various sumps and trenches to one sump location in the back side of the building in the former R&D Plate Room. The liquid will be consolidated using pumps and hoses. Following consolidation of the liquids, two samples will be collected of the liquid and analyzed for metals, cyanide, VOCs, and pH. The results of the sampling and analysis will be used to determine if the liquid can be pumped to storm or sewer drains, or if it needs to be disposed of as hazardous or regulated waste.

Comprehensive Asbestos Survey

Various suspect asbestos-containing materials (ACMs) are present within the site buildings. Some of these materials (such as floor tile mastic) are known to have been tested positive for asbestos in previous limited surveys. It is recommended that a comprehensive asbestos survey be performed at the site building.

Based on a review of previous asbestos surveys conducted at the site and a site reconnaissance, Ninyo & Moore Certified Asbestos Consultants will identify and sample suspect asbestos-containing materials (ACMs) not previously assessed or not assessed adequately previously by others. Up to 140 bulk samples will be collected for laboratory analysis at a National Voluntary Laboratory Accreditation Program (NVLAP) certified laboratory. If additional samples are necessary, an additional cost of approximately \$25 per sample will be incurred. Ninyo & Moore will contact the client prior to analysis of additional samples.

Data Evaluation and Reporting

Following completion of the field sampling and receipt of laboratory results, the data will be evaluated and a summary report of the findings will be prepared. The summary report will include a description of sampling and analytical methods, boring logs, copies of laboratory reports, and conclusions and recommendations. Separate reports will be prepared for the asbestos survey, sump liquid sampling, and for the soil and groundwater sampling.

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FEE

The fee for the work described above is estimated be \$25,100 (twenty five thousand one hundred dollars). Work will be performed on a lump sum basis. The following is a breakdown of the proposed fees.

Soil and Groundwater Sampling\$	6 600
Soil and Groundwater Chemical Analysis	2.000
Sump Liquid Consolidation, Sampling, and Chemical Analysis\$	2.950
Comprehensive Asbestos Survey\$	6.550
Asbestos Survey Report	3.700
Sump Liquid Report	800
Soil, Groundwater Sampling Report	2.500
	25,100

If the additional scope of work and fees are acceptable, please provide written authorization to proceed and issue contract documents, as needed.

Ninyo & Moore appreciates this opportunity to be of service. If you have any questions or comments regarding this cost estimate, please call at your convenience.

Sincerely,

NINYO & MOORE

Craig A. Metheny, R.E.A.

Principal Geologist

- Distribution: (1) Addressee
 - (1) Jim Axtell, Kilroy Realty
 - (1) Ms. Karen Kight, McRoberts, Roberts & Rainer, LLP